

A Regular meeting of the Board of Selectmen was held on Tuesday, August 2, 2016 beginning at 6:30pm in the Main Meeting Room of the Town Hall. The following members were present.

Eric Kraus, Chairman  
James Stanton, Vice Chairman  
Nancy Mackenzie, Clerk  
Mark Gallivan  
David Salvatore

Also present:  
James Johnson, Town Administrator  
Cindy Berube, Executive Assistant

Mr. Kraus called the meeting to order followed by the Pledge of Allegiance.

## ANNOUNCEMENTS AND PROCLAMATIONS

### APPOINTMENTS

#### 8-1 Community Services Department

Mr. Kraus this will be a roundtable discussion on the future of that department. Mr. Johnson explained that back in June when we found Courtney was leaving a the Council on Aging Director we were looking at the opportunity of creating a Community Service Department. We visited this two years ago. Patrick has been the Recreation Director for one year and the interim COA director . The model I have is the person would oversee the Recreation Department and Council on Aging and Veterans if the Board wants me to. The Board of Selectmen per Charter appoints the Veterans Agent. We did an organizational breakout. I will have to go to personnel Board. I need direction if you want us to proceed.

Mr. Kraus what is the netting impact from headcount, adding Patrick as the Community Service Department Director and bumping up the Assistant Director to the Director? Hire a COA Director. He further explained that beginning September 6 we will have our new COA Director. She will not be a full 35 hours. If we elevate Patrick, promote the Assistant Director to Director. He would promote someone to be business Manager. Will be a net of one. Mr. Johnson we were fortunate to have Patrick fill in as COA Director he is doing a great job. Patrick attends all the Building Meetings.

Mr. Gallivan likes the idea I have seen a lot of towns go with this concept. I like the financial aspect; it will have to go to personal, Finance Committee, and then Town Meeting level of service that can be provided. It does make sense to combine them under one umbrella. You will have an overlap.

Mr. Stanton the smallest of these department is the Veterans Dept. Mr. Johnson noted that person reports to the Board. Talked about the Veterans could attend the COA building and

activities. We do not want to add the personnel cost. Mr. Stanton so the Vets Agent reports to us, yes and he is appointed by you as well. Mr. Stanton questioned is the Recreation Department the largest of the two depts. Mr. Stanton, the proposal for this new position, the head where would he operate out of. Mr. Johnson noted we have not gotten that far. Mr. Stanton, you mentioned Fin Com, you are throwing this plan out for us to digest and direction from us. From my standpoint, I think it is worth pursuing. I would be interested to see how personnel and Fin Com weigh in on it.

Mr. Salvatore is it anticipated, the Recreation Department would be using the Senior center for the Recreation activities. Mr. Johnson it could be used after 5pm for night programs. He has taken the COA monthly flyer and combining with the Recreation flyer. Mr. Salvatore has the possibility been discussed in the design of the building? Mr. Johnson, the second floor has three multi purpose rooms and a gym. So they could be used as classrooms. Has not been discussed but it could happen.

Mr. Salvatore wanted to know what part of the job currently is part of the Rec Director portfolio, what would be moved up to the Director. So Patrick's day-to-day activities, some of those are going to be moved to the role of Community Service Director.

Patrick Shield stated that he has spent a lot of his time on budget and policy. A lot of policy has taken away stuff I could do. I foresee going to the Director. I see Recreation Director serving as creative director for the department. Likewise for the COA Director. I like the idea of having another set of eyes. It is a cost increase, but the new body in a low level body. Mr. Salvatore noted the new cost is the Director, so whatever that cost is, is the increase. That is a significant cost, much like the issues I had to adding the Police to the Administrative side of things. I would have more staff that is reaching the people. I understand the concept. That is the nature of everything. This combined role would come up to evening out, but the salary of the community director. Mr. Kraus do not see this as bureaucratic. I like the idea of knowing the people involved. Mr. Salvatore I thought the Community Service Director would be the directors and the others would be Assistant directors not directors. Mr. Johnson that was one of our made concerns. The Cost increase is about \$18,000.

Mrs. Mackenzie does like this idea, the Recreation Director, programming focused on the very young and some adult. It is making all the services available under the guidance of one person. Puts the budget under better control. Making sure everyone is accountable. I understand we do not want to add another layer of government, prorating the COA director, to focus on programming. Realigning of duties.

Mr. Gallivan talked about the proposed organizational chart. You have 8-9 months to come up with a plan. You will meet with Recreation, COA to make it a win/win. Mr. Salvatore, how to you come up with only \$18,000 more.

Mr. Shield, we put this proposal together, we have the other budgets absorb it. Mr. Salvatore, the COA director, is how many thousands less. Mr. Johnson stated the new person coming in around \$60,000. Mr. Salvatore noted that is about a \$12,000 Savings, then the Van driver savings, that is about \$6,000, and the Recreation Director salary savings. Mr. Salvatore, I do not see \$18,000 as a real number. He came in at about \$60,000 that new salary is not going to

be much lower than the current, you do have savings on the COA but I do not see that making up the community Services Director salary. Mr. Kraus asked can you spell it out, proposed salary. Mr. Salvatore wants to be clear what services are being removed from those categories. Mr. Gallivan, I think this is enough. But we want to see much more updated information. Proceeding to the next step.

Mr. Kraus told Mr. Johnson to move forward but need more information on the financials, to look at a model where the Veterans Agent also reports into this. I agree with Mr. Salvatore it is a different as he reports to us. See what that looks like. We will vote when we have all the other data. Mr. Johnson, so you want us to go to personnel. If you take the money out we are all in favor of the idea. Mr. Salvatore questioned if this is the name other towns use?

Mr. Shield noted that Natick, and Fallriver use this. Mr. Kraus are there any other departments or service we should put under there. Maybe Animal Control. Show us what other towns do.

#### 8-2 Appointment of FF/Paramedic to Lt.

Chief Bailey appeared before the Board to present for the appointment Scott Stacey. He has been with the town for 12 years. Served as our EMS coordinator for many years.

Scott Stacey-I am asking for your approval to the rank of Lt I can serve the town in a better capacity and bring more to the table and have more to offer. Has served as Fire prevention officer since 2015. Acting lieutenant for 4 months. Emergency Medical Service Coordinator overseeing all aspects of EMS within the department.

Mr. Gallivan had met Scott and likes that the Department comes and stands behind the candidate. Mr. Salvatore the EMS service and background is certainly a part of the call numbers, great to have a Lt. with that background. Mr. Stacey said he would have more responsibility with personnel. I have experience dealing with employees

Mr. Stacey thanked the members of the Board and Mr. Johnson and Chief Bailey for giving me the opportunity to serve in a higher position. Thanked his wife and four boys. They have been encouraging. He has missed a lot of sport activities while I was acting Lt. Great support from them. Thank my other family the men and women of the Fire Dept. Thanked Capt. Jenks and Cerrella and look forward to working with them. Thanked all the guys and hope to gain their trust as I continue.

MOTION moved by Mrs. Mackenzie to appoint Scott Stacey to the position of Fire Lieutenant at a Step to be determined beginning on August 3, seconded by Mr. Gallivan VOTED 5-0-0

Danielle Sicard, Town Clerk swore him in.

#### 8-3 Pole Relocation hearing

Zen Jordan from Eversource. The request before the Board is for the removing of one existing pole 3/37 and install one new pole 3/37 on Fisher Street and moving the existing pole on Fisher Street. The reason for this is for the new access for the new subdivision Emerald Way and Olmstead Lane. Mr. Gallivan thinks it would be a good thing.

Mr. Stanton read comments from T. Engineer into the record. There were no abutters present for comment.

MOTION moved by Mrs. Mackenzie to approve the relocation of Pole 3/37 Fisher Street at Emerald Way, seconded by Mr. Gallivan VOTED 5-0-0

7:15pm EDC update on Downtown Event

Elizabeth Dennehy, Community and Economic Development Director appeared before the Board to update them on their progress for Walpole's 2<sup>nd</sup> Annual Main Street Live Event Series. We wanted to be sure you knew how this would be proceeding. This year a little different. Added two nights. Over 3 nights, from 5-11 pm, that was the time we agreed upon with Police, Fire and Town Administrator. They will be holding a larger event on Fri Sept 16. The smaller events will be same as last year. We have full participation from the Downtown restaurants. They saw over a 50% increase in sales. They were pleased with the event. The one day liquor license applications are beginning to filter in. The application was written to cover all three evenings. The areas have to be marked off.

Proposing the entertainment similar to last year, last year we did it on the police department lawn. The larger event seeking use of the two commons and closing the roads between them. Had to coordinate so there were not events at Gillette Stadium. The EDC is accepting donations. So far there has been donations of \$8500 and those funds are going toward the rental of the tent and tables, We are opening that night up to all restaurants in the town. So they can sell a few items, Kihei and BBC will participate. We went out there and measured we have space for ten of these popups. Working with Health Director on this issue. The BOH fees, they reduced the fee, the EDC will pick up that cost, no cost past onto the Business owners. The EDC was considering our own Beer and Wine tent. We do have someone who has their TIP certification, we are waiting for him. We are going to begin advertising, John Carroll will provide us with free billboard advertising. Someone inquired about booths and bathrooms. We do not want to put a burden on the restaurants. Donnell will keep his building open on West Street for people to use. The events are on September 2, September 9 and September 16 is the larger event.

Mr. Kraus praised them for a job well done, a lot of thought has been put into this. Just let us know if we can do anything more. Mr. Salvatore asked if they have reached out to the other retail businesses in the Downtown to see if they want to participate. We will send out notifications to let them know we will be modifying parking. Mr. Salvatore likes that it encourages us to come downtown. Hopes the Retail will sell outside, take advantage of people. Only concern is our own beer tent, in competition with the businesses we are trying to encourage, there will be food booths. Ms. Dennehy explained they can not sell alcohol at the common. The Beer and wine could generate revenue.

She explained we are receiving donations did not want confusion paying checks to the town. There is an account for Walpole Main Street Live. Trying to keep it more for the business community. Mr. Salvatore thinks it would have a better impact during the summer. She explained they would like this to happen all summer long. Maybe weave it into a regular thing every year.

Open forum –no one present

#### 8-5 Change in Manager, 99 Restaurant

Nathan Stentiford, is going to take over the restaurant as manager. Mr. Kraus we look to you to do what you need to do so we do not see you in a similar situation as what just occurred with serving to minors. Mr. Salvatore wanted to know if the presentation for Downtown live would that make you interested in participating. Mr. Stentiford stated we received the email yesterday.

MOTION moved by Mrs. Mackenzie to approve the change in manager for the 99 Restaurant from Chris Seremetis to Nathan Stentiford, seconded by Mr. Gallivan, VOTED 5-0-0

#### Town Administrators Report

Fisher School Court- The court is just about complete. This was a great example of a cooperative project between the Town, the Fisher PAC, the School department and the generosity of local contractors. The Fisher School PAC and Principal have been great tow work with. As usual the DPW did a great job and I would especially like to thank tony Lorusso and Steve Stafford of S.M. Lorusso & Sons. Russell Jones Sr, and Jr, of Jones Contracting for their donations. Those two donated a lot of in kind services. It is a little project but it is a feel good project, 6 new hoops on the back of their school and the Principal is very happy.

Water tank levels-We continue to monitor this. The levels are back up to 90%. Last week they did drop down to 60%. Most can be attributed to the high temperature.

Johnson Middle School Roof- Work is ongoing. He was on the JMS roof yesterday, that is about a \$900,000 project the new roof is on. Did a great amount of work in the heat. They are in the process of sealing it.

Free Cash-We are in the process of closing out the FY2016 books and reconciling the cash. Anticipate that he required Free Cash certification paperwork will be turned in so

Fall Town Meeting Warrant- we have 18 articles but may have more before the close of the Warrant.

#### 8-7 State Primary Warrant

The State primary Warrant for September 8<sup>th</sup>, 2016 requires the Board's signature.

MOTION moved by Mrs. Mackenzie , to sign the State Primary Warrant for September 8, 2016, seconded by Mr. Gallivan VOTED 5-0-0

#### 8-8 Bid Award 2016-37, Reconstruction Type I

I would recommend that you award this Bid.

Mrs. Mackenzie recommended that Maggie send out a postcard to residents instead of answering questions. Have Maggie keep them in the loop.

MOTION moved by Mrs. Mackenzie to award contract 2016-37 to Walsh Contracting Corp., Attleboro Ma in the amount of \$797,029.00, seconded by Mr. Gallivan, VOTED 5-0-0

#### 8-9 Bid Award 2016-40 High Risk Tree Removal/Trimming

Mr. Johnson explained this was the lowest bidder. References checked out fine.

MOTION moved by Mrs. Mackenzie to award contract 2016-40 to North Eastern Tree Service, Inc. for the weekday and emergency hourly rates as reflected on the bid sheet for the period of August 1, 2016-July 31, 2017 with option to renew for two additional years, seconded by Mr. Gallivan, VOTED 5-0-0

#### 8-10, 8-11 Consent Agenda

MOTION moved by Mr. Salvatore to approve the gift acceptance of \$300 for Library Books, seconded by Mrs. Mackenzie, VOTED 5-0-0

Board only need to comment if they are opposed to Keno to Go. Mr. Salvatore would like to have a better policy.

#### Chad Clark, Roselli, Clark & Associates, CPA

Mr. Clark appeared before the Board to review the Management Letter from the audit for the year ending June 30, 2015.

Mr. Clark started with the Overview and explained the undesignated fund balance in the General fund and stabilization fund ended the year at 6.7 million. It dropped down from 2014 to 2015 that is because of 5.8 million free cash appropriations for which 2.1 million was utilized as initial funding towards the Construction of the new police Station. Contributed funds of \$0.175 million into stabilization funds, and \$0.3 million to OPEB Trust Fund. While it is transfer out of the general fund. The appropriation of a large amount of free cash has also had a negative impact on the Town's reserve ratio which is below the Standard and Poor LLP Financial services optimum percentage of 15% but the town remains slightly ahead of state average of about 8% at 8.7%. Even with downward trends the fiscal year 2015 remain on a firm financial foundation for the near term.

Mr. Salvatore questioned the Reserve ratio how is that tracking from previous years. It has dropped down, you are still at a healthy place. You remain in a solid healthy position.

#### Changes to Single Audit Requirements

Changes that will impact town, the single audit act. Review of federal grants. Walpole is above the caps, the one thing that affects the town, as part of the new regulations there needs to be internal framework, COSO. This is the FEDs passing on to municipalities, in most communities you have polices, all work into this, internal control that needs to be documented. Now it is a requirement to document it. This is what we are following. MGL covers a lot of this. They have provided the 17 principles of effective internal control issued by COSO.

If you talk about School lunch program. This is a significant change, no way around it. It is so far out of the realm that municipal has been doing. Much of the stuff is school oriented, you apply and you get a fire truck, homeland security, that is a major program we will have to look at, the polices and procedures. Very tricky for cities and towns, have every single department that gets grant money. The Feds have been slow getting this out to everyone. I want to put it out there. Something the town has to do.

Mr. Salvatore, so there needs to a town wide and individual department as well. Mr. Clark noted, the School end no. There is a possibility that 80-90% might work for DPW and Fire. The process of purchasing something does not really change. Communities try to create on template. As the grants come up try to apply as much as possible. Buying a fire truck is different than FEMA money. There is a difference between if there is a document and someone handing us something that is pretty good.

Mr. Salvatore wanted to know what is the time line. It is effective immediately. I do not want to guarantee anything. Certain level of leniency. The major programs are School.

#### Adoption of New Accounting principal-Pensions

Pensions GASB 68, unfunded pension be shown as an unfunded liability. This is more aggressive. This includes current retirees and current employees. As of June 30,2015 the pension liability for Walpole was approximately 39.3 million. All Mass Pension systems are required by MGL to be fully funded by June 30, 2040. The new Pension standards require the Town become an active participant in the audit of the Norfolk County Retirement System.

Mr. Salvatore, Norfolk county retirement is already asking for the money to put us on track. Mr. Clark noted the town is not in deficit because of payments. The model is a three-way mechanism.

Mr. Gallivan think of it this way, a lot were pay as you go. Want it to be a pay in process. The problems come in when you look at the MBTA. Having gone pay as you go to putting it on your books so you know what we owe.

#### New accounting principal OPEB

Mr. Salvatore wanted to know if the town would be impacted because of other towns. With OPEB being out there. Mr. Clark explained you are only in deficit when the county assesses you and you don't pay.

New Pronouncement related to other postemployment benefits, or OPEB. This includes health and welfare plans. The town reports a net OPEB obligation of approximately 23.9 million. The

Town has established a OPEB Trust Fund making annual contributions, the balance is 1.38 million. GASB45 will modify the reporting requirements and mandate that the net OPEB liability of approximately \$67.0 million be reported in the government wide financial statements.

### Investments

In Oct 2014 new law what are improved investments. The list of investments get revised, make you aware that it has changed. The law limits the investments a municipality may make. The town must comply with a list of legal investments. The Town Treasurer controls some money, and Trust Fund that controls some. They are ultimately responsible for maintaining compliance with the new law.

### Municipal data breaches

They have alerted the town to be aware of the IT data security risks o its networks and not enhancing that alert to include electronic hardware. Security companies can test how easily information can be stolen. Long ago everyone had a PC. A lot of departments had PC's. A lot have tablets. Sometimes when we talk about data security issues with phones and tablets.

The Town with IT management should take a proactive approach to IT Security.

### Student Activity accounts

The DESE mandated a checklist of evaluation criteria within their new guidelines which must be performed annually with the checklist being completed at last once every three years. Well ahead of the scale. We will cycle schools every three years.

### Risk Assessment

Starting with FY2016 an additional review of financial related procedures being utilized will be performed of the School Athletic Department. This has been put into motion. We caution the town regarding the risks of fraud and theft. We recommend the town implement a limited internal audit process under Chapter 41 of the MGL. Since the Town does not have sufficient existing personnel resources to dedicate, you have engaged our firm to perform additional enhanced audit procedures.

Mr. Salvatore on the School accounts, I expect the High School account is higher. Maybe that should be annual for that school. Your school business office does a revue and self-audit. We have not found a lot going wrong there. Mr. Salvatore, how much money are we talking in these accounts. Usually around \$100,000, it depends on how active the kids are.

### Findings and Recommendations

He talked about the accounting software system MUNI and that only limited changes had been implemented to the accounting module. He noted the present general ledger chard of accounts being utilized by the Town is not in compliance with the DOR directed UMAS accounting structure. The School Dept. is also directed (not mandated) to establish sub chart of accounts structure. There is a multi year attempt to bring up to date. The big focus is the chart of

accounts. That is moving forward and progressing. Everything seems to be on schedule for that. It is a big issue.

Water and Sewer reconciliation-what was happening in Walpole, the transaction to receivable are checked and double checked. The Collector's system was lower than the Town Accountant's general ledger for the Water and Sewer Funds. What came about during a change in personal, the MUNIS was manually adjusted. Marylyn is working with MUNIS to fix this.

Ambulance receivables- Talked about Medicare restrictions, about 80% you get. Aspect of people whom past away or those who do not pay. More formal process needs to be implemented.

Debt Issuance-At Town Meeting a vote was taken to take out \$40,000 of debt for Sewer project; it was worded water and sewer. As a result of the vote, some of the debt was issued. It is a serious issue to bond holders. Going forward, when Town Meeting articles if it is for water and sewer keep them separate. If sewer and water, do two separate votes.

Personal property taxes-A good chance some of these are out of business. It would be good to get rid of them if they are not around. You can abate the taxes. A municipal update act that will hopefully come out of joint session, that allows you to pull all your accounts to take care of things like this. It would clean up the books

DS smaller size outstanding debts treated different than larger debts.

It is the same. You voted someone that did not have a assessed value o

### Capital Assets

The Town Accountant asks annually for a list of capital assets that were acquired by the Town so they can be properly recorded within the capital assets tracking software. For FY2015 it was noted assets totaling \$7.7 million. Town meeting usually there is a street acceptance. We need best estimate of all the pipes, roadway sidewalks are worth. Something in the future, donated equipment etc.

### Police and Fire Detail

The police are being paid, the vendors have to pay the town for that service, the town is required to pay the officers within the next pay period. Sometimes you have a cash flow issue. When we take the receivable and deficit. DOR does not allow deficits in those accounts you have to make it go away. Difference how it is handles in Walpole. The Police Department book the appointment, the act of billing and collecting is put on the Treas/collectors office. The treasurers office has not knowledge of scheduling. There is no mechanism; the PD does not know what has been billed. Most towns put this on the Police Department. The process looks like it should be tightened up. Suggesting a model that is more proven. It makes that one department 100% responsible for the activity.

Mr. Johnson stated they are working on the Police and Fire on this. We are going to move this over to the Police Dept. We are going to change the way we do it.

There is about \$110,000 not received. Mr. Salvatore, you said even if everyone paid the bill. This is not a money making fee.

Management Response

The town is implementing new procedures to manage the accounts so the deficit balance is addressed.

Principles of effective internal control.

Informational for you. Walpole is ahead of the scale. Mr. Kraus thanked Mr. Clark for the Audit report.

MOTION moved by Mr. Salvatore to adjourn at 8:45, seconded by Mr. Gallivan, VOTED 5-0-0

Respectfully Submitted;

Cindy Berube